

# **FISCAL NOTE**

## **SB 412 - HB 974**

March 3, 2003

**SUMMARY OF BILL:** Requires the Commissioner of Mental Health and Developmental Disabilities to establish, by October 1, 2003, a continuum of behavioral health services for adults, children, and families who are not eligible for TennCare. The services would be consistent with those in the annual state plan for adults with severe disabling mental illness and children with serious emotional disturbance. The services would be provided on an ability-to-pay basis through contracts with community mental health centers or other treatment resources.

Requires the commissioner to establish by, October 1, 2003, a system that provides mental health counseling, treatment, and support services to people affected by disastrous, catastrophic, or unforeseen events. The department would develop a statewide system of disaster-related care and support services. Such services would be provided on an ability-to-pay basis.

### **ESTIMATED FISCAL IMPACT:**

#### **Increase State Expenditures - Exceeds \$300,000,000**

Assumes:

- There are approximately 235,000 persons in the state that are severely mentally ill or severely emotionally disturbed and are not served by TennCare according to MHDD.
- Capitation payments to the TennCare Behavioral Health Organization's are \$4,276 annually per person (including administrative fees and taxes). Current prescription drug costs are \$329 annually per person.
- Clients would contribute \$1,000 annually and the state would provide services at the same cost as the BHOs, less administrative cost and taxes, for an annual person cost of \$3,052.40.
- Serving all 235,000 persons would cost approximately \$717,314,000 and if only 100,000 persons chose to utilize services, the cost would be approximately \$305,240,000.
- Establishing a network for disaster-related care would cost approximately \$400,000.

### **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director